

New Jersey State Tax News

Vol. 30, No. 2 – Summer 2001

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Jersey Shore Office Moves to Asbury Park

The Division of Taxation's Jersey Shore Regional Office has moved to Asbury Park from Sea Girt. The new office is located at:

630 Bangs Avenue
Asbury Park, NJ 07712

Payment of NJ SAVER Rebates Accelerated

Legislation signed by Acting Governor DiFrancesco on June 18, 2001 (P.L. 2001, c.106) means larger NJ SAVER Rebate checks than originally expected for New Jersey homeowners in September.

The legislation accelerates the phase-in of the NJ SAVER Rebate by increasing the amount to be paid this year to an average of \$500, rather than an average of \$360. NJ SAVER Rebates were supposed to reach the full benefit amount of an average \$600 in 2003, but instead will reach that amount next year, one year ahead of schedule.

The amount of the NJ SAVER Rebate varies from town to town because it is based on 1997 effective school tax rates which are different for each municipality. The 2000 NJ SAVER Rebate checks will be mailed on or before September 15.

New Jersey residents who owned, occupied, and paid property taxes on a home in New Jersey that was their principal residence on October 1, 2000, are eligible to receive the NJ SAVER Rebate for that year.

Homeowners who qualified and applied for both the Homestead Rebate and the NJ SAVER Rebate will receive whichever rebate provides a greater benefit.

Although the amount of the NJ SAVER Rebate will increase to an average of \$500 for tax year 2000, many senior citizens and disabled homeowners will still receive a larger Homestead Rebate and therefore will not receive the NJ SAVER Rebate.

For further information about the NJ SAVER Rebate Program call the NJ SAVER Rebate Hotline at 609-826-4282. Division representatives are available from 8:30 a.m. to 4:30 p.m., Monday through Friday (except holidays). □

Important Phone Numbers

Customer Service Ctr...	609-292-6400
Automated Tax Info 1-800-323-4400	
.....	609-826-4400
NJ SAVER Hotline.....	609-826-4282
Property Tax Reimbursement	
Hotline	1-800-882-6597
Speaker Programs.....	609-984-4101
NJ TaxFax	609-826-4500
Alcoholic Bev. Tax.....	609-984-4121
Corp. Liens, Mergers, Withdrawals	
& Dissolutions	609-292-5323
Director's Office.....	609-292-5185
Inheritance Tax.....	609-292-5033
Local Property Tax	609-292-7221
Motor Fuels Tax	
Refunds.....	609-292-7018
Public Utility Tax	609-633-257

Inheritance & Estate Tax Returns

The Inheritance Tax Section of the Individual Tax Audit Branch is frequently called upon to advise estate representatives as to their responsibilities related to the filing of inheritance and estate tax returns and the payment of the tax.

An inheritance tax return must be filed within eight months following a decedent's death unless the Director grants an extension of time to file. The return must generally be prepared, executed, and filed by the executor or administrator of an estate. In cases where an executor or administrator is not appointed, any beneficiary entitled to share in the estate may file the return. A surviving joint tenant is permitted to file the return in cases where a decedent dies intestate and the entire estate passes to the surviving joint tenant or tenants.

The inheritance tax is due on a decedent's date of death. It may be paid at any time within the following eight-month period without penalty. An executor or administrator is personally liable for payment of any and all inheritance taxes to the extent of the estate funds in his possession. Beneficiaries and surviving joint tenants are likewise personally liable for payment of the tax.

The personal representative of an estate must first deduct the inheritance tax from estate assets before making distribution to a beneficiary. In the case of real estate, the personal representative must collect the tax from the beneficiary before transferring it to him. In situations where tax is payable on assets which have not come into the possession or control of the personal representative, the tax

should be paid to him by the beneficiary who received the property. If the beneficiary does not pay the tax, the personal representative must pay the tax from estate funds in his possession.

An estate tax return must be filed within nine months following a decedent's death unless the Director grants an extension of time to file. Generally the executor or administrator of an estate must file the tax return. In cases where an executor or administrator is not appointed, an heir at law may file the return.

The estate tax is due on a decedent's date of death. It may be paid at any time within the following nine-month period without penalty. The tax is payable out of the same funds from which the Federal estate tax is payable. Executors, administrators, trustees, grantees, donees, and vendees are personally liable for the payment of the tax.

Arbitrary tax assessments may be issued in situations where required inheritance tax and estate tax returns are not filed. An action at law may be brought in the name of the State against any person liable for the payment of inheritance taxes and estate taxes. Certificates of Debt may be filed in Superior Court against the executor, administrator, or the beneficiaries of an estate.

Questions related to the filing of inheritance and estate tax returns and payment of the taxes should be directed to the Individual Tax Audit Branch - Inheritance and Estate Tax, PO Box 249, Trenton New Jersey 08695-0249. The Inheritance and Estate Tax Section may be reached at 609-292-5033, 609-292-5035, or 609-292-7147.

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New Jersey State Tax news

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taxation@tax.state.nj.us

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www.state.nj.us/treasury/taxation/

This publication is designed to keep taxpayers, tax practitioners and the general public informed of developments, problems, questions and matters of general interest concerning New Jersey tax law, policy and procedure. The articles in this newsletter are not designed to address complex issues in detail, and they are not a substitute for New Jersey tax laws and/or regulations.

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Robert K. Thompson

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Koch Benefits Extended

In the summer 1999 issue of the *New Jersey State Tax News*, page 5, an article titled "Koch Decision" discussed the New Jersey Supreme Court's ruling in *Sidney and Dorothy Koch v. Director*. The Court overturned a long-standing judicial doctrine requiring taxpayers to use their Federal adjusted basis when determining gain or loss on the disposition of property.

In its finding the Supreme Court stated that the intent of the Gross Income Tax Act was to tax "economic gain" not a return of capital. The Court did not define "economic gain" but did focus on a taxpayer's method of accounting, basis, what item(s) impact basis, and how they may be treated/accounted for differently for Federal and State tax purposes,

thus creating inequities.

Although the *Koch* case dealt solely with the disposition of a partnership interest, the Division believes that the principle of the *Koch* Court's opinion can be extended to the sale of a sole proprietorship or rental property not held by a business entity. The Division also takes the position that the *Koch* case does not apply to transactions in the day-to-day operations of the business.

With this in mind the Division established a policy that keeps a taxpayer's method of accounting the same for both Federal and State purposes, thus requiring taxpayers to annually use the same depreciation expense allowed or allowable for Federal purposes in determining net income for New Jersey income tax purposes.

Next the Division looked at how to determine whether a taxpayer was able to utilize the depreciation claimed, i.e., basis adjustment.

Since depreciation expense directly impacts basis when calculating the gain on the disposition of a sole proprietorship or rental property not held by a business entity, the Division now permits an adjustment to basis for the depreciation expense not utilized for New Jersey tax purposes. The unutilized depreciation expense represents the amount by which the depreciation allowed or allowable exceeds gross receipts in any given tax year. In adopting this approach the Division is in parity with the principle of the *Koch* decision.

Therefore, a taxpayer that is a sole proprietor or that owns rental property not held by a business entity is entitled to a *Koch* type basis adjustment, but only in those instances where gross income before any expenses or deductions (gross receipts) does not exceed the depreciation expense allowed or allowable in the same year. □

Example: A taxpayer purchases a rental property for \$200,000 and is claiming a \$10,000 depreciation expense annually. The taxpayer sells the property at the end of Year Four for \$190,000. The taxpayer has the following entries:

Gross Receipts		Depreciation	Depreciation Not Utilized for NJ Tax Purposes	
Year One	\$ 8,000	\$10,000	\$2,000	
Year Two	10,000	10,000	0	
Year Three	12,000	10,000	0	
Year Four	9,000	10,000	1,000	
		Koch Adjustment Allowed	<u>\$3,000</u>	
Cost		\$200,000		
Depreciation Expense		<u>(40,000)</u>		
Federal Adjusted Basis		\$160,000		
Koch Type Adjustment		<u>3,000</u>		
NJ Adjusted Basis		\$163,000		
Sale Price		\$190,000	Sale Price	\$190,000
Federal Adjusted Basis		<u>160,000</u>	NJ Adjusted Basis	<u>163,000</u>
Federal Gain		\$ 30,000	NJ Gain	\$ 27,000

LOCAL PROPERTY TAX Continuing Education for Assessors

The Tax Assessor Recertification Bill (c.278, P.L. 1999), which was signed into law on December 8, 1999, and became effective on July 1, 2000, has changed licensing requirements for all holders of New Jersey Tax Assessor Certificates. As a result, Tax Assessor Certificate Holders must be recertified through a Continuing Education Program if they want to keep their licenses in force. The intent of recertification is to help assessors keep abreast of changing property tax statutes and regulatory requirements that can impact local

property tax revenues.

Chapter 278, P.L. 1999, provides that all tax assessor certificates issued prior to July 2000 will expire in five years. Therefore, for a tax assessor to remain certified, he or she must complete continuing education requirements of fifty (50) continuing education credit hours over a five-year period. One continuing education credit hour means 50 minutes of classroom or lecture time.

Beyond the initial five-year renewal period, renewal will be required every three years, provided that continuing education requirements of thirty (30) credit hours are obtained over three years.

Assessors who fail to meet continuing education requirements will be removed from office.

Any questions concerning assessor recertification should be directed to Richard Stier of the Property

Administration Branch at 609-292-7974. A list of approved Continuing Education Recertification Programs can be found on the Internet at:

www.state.nj.us/treasury/taxation/lpt/ceeorg.htm □

LOCAL PROPERTY TAX

Tax Maps

The Director of the Division of Taxation has oversight of the preparation, maintenance, and revision of tax maps in the State. The New Jersey Administrative Code pertaining to tax maps is administered through Property Administration's Local Assessment Compliance Unit (formerly the Engineering Section). The purpose of this article is to stress to tax assessors and land surveyors the importance of proper tax map maintenance.

A tax map is an essential tool of the assessor. A tax map gives an entire picture of all real property within a taxing district. It shows the location, size, shape, and area of each parcel for determining value. An assessor working without an up-to-date tax map seldom makes an accurate inventory of all taxable real property within his/her district. In many instances, entire parcels are omitted or listed on tax rolls with incorrect dimensions. Ideally, tax assessors should furnish deeds to their New Jersey licensed land surveyors whenever land transfers occur that require changes to property lines. In addition to deeds, maps of major and minor subdivisions should be provided to the surveyor for plotting. This can be accomplished on a weekly, monthly, or yearly basis so the assessor has a current workable map. Each tax map should be brought up to date prior

to the assessing date of October 1 in each year.

Maintenance should include periodic review of all sheets for line weight (heaviness) and lettering integrity to ensure legibility and symbol (type of lines) compliance. When an assessor is notified of changes in railroad use or sale of railroad property by Local Assessment Compliance, those changes must also be reflected on the tax map. Some municipalities have not assessed former railroad use properties for over 30 years. Today, many maps are in electronic format, which makes this task easier. However, sheets that are maintained manually should be reviewed as well for compliance. This will reduce inspection and approval time for revaluation and certification in the future.

The cost of maintaining a tax map is nominal in comparison to the benefits a municipality receives through identifying new ratables. After spending thousands of dollars to make a tax map, it would be wasteful and costly if updates were not made.

Any tax assessor or land surveyor requesting assistance in regard to tax map matters can contact Bill Black at 609-292-9459. □

Interest 10.50%

The interest rate assessed on amounts due for the period July 1 – December 31, 2001* will be 10.50%.

The assessed interest rate history for the last three years is listed below.

Effective Date	Interest Rate
1/1/99	10.75%
1/1/00	11.50%
1/1/01	12.50%
7/1/01	10.50%

* This interest rate will remain in effect until December 31, 2001, unless, prior to October 1, 2001, the Director determines that the prime rate in effect on May 1, 2001, (7.50%) has varied by more than one percentage point.

LOCAL PROPERTY TAX Tax Assessors' Calendar

July 1–

- Disallowed property tax deduction recipients, granted an extension, required to pay deduction previously granted. If unpaid, become real property liens.
- MOD IV Master file sent to Property Administration via appropriate medium.
- Assessor to mail form to claim a continuance under the Farmland Assessment Act for the tax year 2002 together with a notice that the completed form must be filed with the assessor by August 1, 2001, to each taxpayer whose land was assessed for tax year 2001 under the Act.

2nd Tuesday in July–

- State Equalization Table prepared.

August 1–

- Owners of farmland must file an application (Form FA-1) with the assessor to have land assessed under Farmland Assessment Act.

August 5–

- All SR-1A forms showing information to be used in compiling the 2001 Table of Equalized Valuations for State School Aid to be received by Property Administration.

August 15–

- County Board of Taxation Presidents to annually file a report (Form TAS) that contains appeal information and statistics to the Director, Division of Taxation.

Summer 2001

August 25–

- Completion of State Equalization Table by Director, Division of Taxation.

September 1–

- Extension to file Form FA-1 where assessor has determined failure to file by August 1 was due to illness of the owner, death of the owner or an immediate member of the owner's family.
- Tangible business personal property returns (Form PT-10) of local exchange telephone, telegraph, and messenger systems companies, with respect to tax year 2002 and thereafter, to be filed with the assessor for the taxing district in which the said property is located.
- Petroleum refineries file tangible business personal property returns (Form PT-10.1) with assessor for tax year 2002, for machinery, apparatus, or equipment directly used to manufacture petroleum products.

September 13–

- Table of Aggregates transmitted within three days to Taxation and Local Government Services Directors, State Auditor, Municipal Clerk, and Clerk of Board of Freeholders by County Boards of Taxation.

September 15–

- Assessor to file statement of taxable value of State-owned real property with Taxation Director. □

Criminal Enforcement

Criminal Enforcement over the past months included:

- On December 22, 2000, the Office of Criminal Investigation participated in the execution of search warrants with the Salem County Narcotics Task Force, which resulted in the arrest of the target, Anthony Saxton. The warrants authorized the search of the subject's personal residence, several rental properties, and his clothing business, "Just For Kids." This tax case is pending action before the Salem County Grand Jury.
- On January 19, 2001, Vincent Stewart of Camden, New Jersey, was arrested by members of the New Jersey State Police on charges of Conspiracy to Commit Theft based on his preparation of fraudulent New Jersey Homestead Rebate applications for residents of Camden County. This joint investigation with the New Jersey State Police, the Division of Criminal Justice, the Camden County Prosecutor's Office, and the Office of Criminal Investigation (OCI) was initiated by OCI after Mr. Stewart was identified as the preparer of approximately 1,500 New Jersey Homestead Rebate applications that were filed indicating that the applicant was either blind, disabled, or over 65 years old. Mr. Stewart is currently incarcerated in lieu of \$7,500 bail.
- On January 25, 2001, Samuel H. Brangan entered a guilty plea to Failure to Turn Over Taxes Collected (3rd Degree), in the amount of \$86,576.25 for sales

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tax collected and not remitted. Mr. Brangan of Pineville, Pennsylvania, was the President of the now defunct industrial cleaning corporation KEI Industrial Services, Inc., of Levittown, Pennsylvania. As a condition of his plea, he will make full restitution of the \$86,576.25 within a three (3) year period.

- The Office of Criminal Investigation has just successfully completed a joint multi-state and Federal criminal tax investigation involving the fictitious filing of 139 personal income tax returns with 38 states, the District of Columbia, and the Federal Government. Refunds were claimed totaling \$173,692. The perpetrator filed fictitious refund claims averaging \$1,200 in each of the affected jurisdictions thinking the claim for refund would not be large enough to cause suspicion in any single agency.

New Jersey was one of the lead states in this high-profile investigation. Our case was initiated when information was received that two fictitious New Jersey gross income tax returns had been filed resulting in fraudulent refunds totaling \$2,064. Our investigation revealed that a credit union in Virginia, the depository account for the refunds, was also the depository account for \$48,873 in refunds from 28 different states. A joint investigation with the Federal Bureau of Investigation was entered into which resulted in the identification of additional depository accounts totaling \$173,692 of fraudulent refunds from 38 different states, the

District of Columbia, and the Federal Government.

The target, Thomas B. Ellis Jr., pled guilty in February 2001 in the U. S. District Court for the Eastern District of Virginia to violating Title 18, United States Code, Section 1341, Mail Fraud. He surrendered to U. S. Marshals and was incarcerated in a Federal facility in Alexandria, Virginia, pending his sentencing scheduled for the spring of 2001.

- On February 5, 2001, subject James D'Alessandro entered a guilty plea to a two (2) count accusation of Failure to Pay Over Taxes (3rd Degree) and Failure to Turn Over Taxes Collected (3rd Degree). Mr. D'Alessandro of Berlin, New Jersey, is the owner of a specialty automobile repair business in Atco, New Jersey, that failed to remit sales tax collected from customers during the time period targeted. In addition, Mr. D'Alessandro also failed to pay his New Jersey gross income tax liability for the same years. On March 9, 2001, Mr. D'Alessandro was sentenced in Camden County to a five-year term of probation and ordered to make full restitution of all taxes, penalties, and interest owed for his New Jersey gross income tax liability, and the New Jersey sales tax owed by his business, Quarter Mile Performance, in Atco. This case was a joint investigation between the Camden County Prosecutor's Office and the Office of Criminal Investigation.
- On February 6, 2001, Anish Shah of Freehold, New Jersey, a self-employed tax preparer and accountant, was arrested by the

Bayshore Narcotics Task Force in Hazlet, New Jersey, for Possession of a Controlled Dangerous Substance with Intent to Distribute (both powder and rock cocaine) which he delivered with completed tax returns to his clients. Also found in his possession were eight (8) cartons of unstamped domestic cigarettes. OCI determined that the cigarettes were purchased from a New York State Indian Reservation and shipped by UPS to the subject's New Jersey home. OCI has filed additional charges of Possession of Untaxed Goods, Transportation of Contraband Cigarettes, No Consumer License and No Invoices.

- On February 7, 2001, a joint investigation with U.S. Customs Air Cargo Team at Newark International Airport resulted in the seizure of 152.1 cartons of unstamped foreign cigarettes. Kaleem Muhammed of Highland Park, New Jersey, attempted to import the contraband cigarettes into New Jersey. Mr. Muhammed has been charged with Possession of Untaxed Goods, No Consumer License, and No Invoices.
- On February 9, 2001, Harinder Singh of Saylorsburg, Pennsylvania, and Kmal Singh of Tannersville, Pennsylvania, corporate officers of Natasha, Inc., were each sentenced to five (5) years probation and ordered to make restitution of \$126,008.62 in New Jersey State motor fuels tax, plus civil penalties and interest of \$126,786.88, and a fine of \$25,000 over the period of the probation. As a condition of the plea, a check representing

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criminal enforcement - from page 6

the total motor fuels tax due in the amount of \$126,008.62 was received by OCI on February 20, 2001.

- On March 8, 2001, Kuo I. Chang of Toronto, Canada, was arrested by Delaware River and Bay Authority Police in Pennsville, New Jersey, for transporting 490.8 cartons of Virginia stamped cigarettes. Mr. Chang was wanted on an outstanding warrant from Toronto. OCI coordinated with the different agencies including U.S. Immigration and Naturalization Service (USINS), FBI, and the Salem County Prosecutor's Office. The subject was remanded to the Salem County Jail. OCI filed additional charges including an indictable possession of contraband cigarette charge. Subject has been detained on the basis of the USINS investigation along with OCI charges.
- On March 12, 2001, in Mt. Olive Municipal Court, retailer Town & Country Gulf, Inc. pled guilty to a charge of selling diesel fuel without a license and was fined.
- On March 18, 2001, OCI, along with members of the New Jersey State Police Cargo Theft & Robbery Unit, arrested Abdelnasa A. Saramah of North Bergen, New Jersey. Based upon information from the New Jersey State Police, a joint surveillance was set up at a storage facility in Secaucus, New Jersey. Subsequently, the subject arrived and was arrested as he unloaded his rental vehicle of 233 cartons of Virginia stamped cigarettes into the open storage unit. Seventy-one (71) cartons

of cigarettes were found in his storage facility, which had affixed NY State and/or City indicia or no indicia. Also found was documentary evidence that indicates the subject has been involved in a long-term smuggling operation. He later admitted to smuggling for over five (5) years. The subject was convicted in Maryland in 1994 for transportation and possession of contraband cigarettes. He is currently under Federal indictment in the Northern District of Ohio for money laundering and trafficking in fraudulent food stamps. OCI has forwarded a copy of the arrest information for the U.S. Attorney to issue a warrant on the subject, as he violated pretrial travel restrictions. Mr. Saramah's bail was set at \$75,000 and he was remanded to the Hudson County Jail in lieu of bail. The subject was brought before the U.S. Magistrate in New Jersey pending a bond revocation

hearing and placed on electronic monitoring. OCI will testify in Ohio concerning the subject's violation of pretrial restrictions.

- Ninety-eight (98) complaints alleging tax evasion were evaluated from January through March 2001 in the Office of Criminal Investigation.
- During the same period, January through March 2001, fifty-six (56) charges were filed in court on fifty (50) cases for violations of the Cigarette Tax Act including possession of 1,521 cartons of contraband cigarettes valued at \$53,235.00, and resulting in fourteen (14) arrests. □

Tax Briefs

Sales and Use Tax

Prepaid Calling Card Sales Over the Internet — The Division replied to an inquiry concerning the sale of prepaid calling card ar-

Pay NJ Taxes By Credit Card*



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*** Fee of 2.5% of tax payment applies.**

rangements where the PIN number and instructions for use are sent to the customer over the Internet. A prepaid calling card arrangement is defined as the right to purchase telecommunications services that must be paid for in advance, that enables the origination of calls using an access number or authorization code, provided that the service provider knows the number of minutes remaining on an ongoing basis. N.J.S.A. 54:32B-2(II).

As of January 1, 2000, tax is imposed on such retail sales under N.J.S.A. 54:32B-3(g), which states that if the sale does not take place at the vendor's place of business, it shall be deemed to take place at the customer's shipping address, or if there is no item shipped, at the customer's billing address.

Thus, a registered vendor must collect New Jersey sales tax on sales of prepaid calling card arrangements made over the Internet to customers located in New Jersey. The credit card billing address may be used to determine the location of the customer for tax purposes. If the seller is not registered to collect New Jersey sales tax, or is registered but fails to collect the tax, the customer is liable for use tax on the amount paid under N.J.S.A. 54:32B-6(H).

Clarification: Advertising Space in a Publication Distributed Free of Charge — An article in the *New Jersey State Tax News*, spring 2001 issue, p. 14, explained that a charge for advertising space (e.g. half page, back cover) in an advertising publication which is distributed free of charge is not subject to sales tax. The article further stated that the publisher should pay sales tax on the purchase of the publication (paper,

printing, etc.) directly to the seller of such property and services.

The Division was questioned on the applicability of this treatment to businesses engaged in direct-mail advertising, where individual coupons or a bound booklet are regularly mailed to recipients in a specific geographic area. The Division responded that the Sales and Use Tax Act imposes tax on charges for direct-mail advertising processing services in connection with distribution to New Jersey recipients. N.J.S.A. 54:32B-3(b)(5). Therefore, charges made to local advertisers, which may include the design of the advertisement, advertising space, and the direct-mailing service, are subject to sales tax to the extent that the publication is mailed to recipients in New Jersey. These charges are not merely for advertising space, but rather, are deemed to be for the direct-mail advertising processing service.

The tax treatment described in the spring 2001 article is applicable to the situation where an advertiser is selling space in a publication that is distributed free of charge by means *other than* direct mail, e.g. an auto shopper or apartment rental guide available at a supermarket. This distinction is based on the fact that the law specifically imposes sales tax on *direct-mail* advertising services. □

In Our Courts

Administration

Regulations — *Lenox Incorporated v. Director, Division of Taxation*, decided February 2, 2001; Tax Court No. 007049-98 & 007050-98.

The Court requested that the Division address the "function and significance" of N.J.A.C. 18:7-13.8(d) that required a taxpayer to file notice of Internal Revenue Service (IRS) changes to plaintiff's corporate taxable income within 90 days of the IRS changes in order to qualify for an extended two-year period to file for a refund. The Division submitted the Certification of William J. Bryan, III and a Supplemental Brief to the Court. Rather than respond to the brief, plaintiff served on the Division interrogatories concerning the explanations contained in the Supplemental Brief and the Bryan Certification. The Division objected to answering the interrogatories.

After analyzing well-settled case law, the Court found that the reasonableness of a regulation could not be a function of its factual foundation because factual findings are not required in order to promulgate a regulation. The Court stated: "In order to overturn a regulation as unreasonable and beyond the scope of the administrative agency's power, a party must demonstrate that no conceivable state of facts would sustain the regulation." Therefore, the Court ruled that the Division need not answer the interrogatories because any possible elicited factual information would not be relevant to the issue of the regulation's reasonableness nor would the answers lead to discovery of admissible evidence.

Timely and Conforming Complaint — *Harold Weingold v. Director, Division of Taxation*, decided February 7, 2001; Tax Court No. 1818-00.

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The Division sent plaintiff and plaintiff's lawyer the final determination concerning his protest by certified mail on January 25, 2000. Plaintiff's lawyer signed for his letter but plaintiff did not pick up his letter. On March 29, 2000, pro se plaintiff wrote a letter to the Tax Court Clerk stating: "Please accept this letter as a petition to accomplish the following: to inform your office I plan to represent myself before the Tax Court pro se, and to appeal the final determination by the Division of Taxation pursuant to New Jersey S.A. 54A:9-10." Several communications occurred between the Tax Court Management Office and plaintiff that resulted in plaintiff submitting additional information. Plaintiff was advised that his papers had been filed as of May 12, 2000.

The Court held that the March 29, 2000, letter indicated an intention to make a complaint, but was not in fact a complaint because it "does not comply in any respects with any way, shape, or form being a complaint which would be compatible with the rules." There was no named plaintiff, defendant, no claim, no fee submitted, and nothing that the Division could be charged with answering. The Court noted that pro se litigants are chargeable with the rules governing the content required to be in a complaint.

The Court also ruled that the letter sent and received by the lawyer attributes notice of the final determination to plaintiff as well as does the letter sent to plaintiff that he did not collect. Therefore, the Court dismissed the May 12, 2000, complaint as untimely.

**Corporation Business Tax
Time Period to File Refund
Claim – *Godwin Pumps of America v. Director, Division of Taxation*, decided January 22, 2001; Tax Court No. 001789-2000.**

Plaintiff's 1993 corporation business tax (CBT) return was originally due on January 15, 1994, and with the approved extension the deadline was July 15, 1994. Plaintiff paid the full CBT on June 30, 1994. On July 13, 1998, plaintiff filed an amended 1993 CBT return seeking a refund. The Division denied the refund claim because it was not timely filed pursuant to the N.J.S.A. 54:49-14 four-year statute of limitations as calculated per N.J.A.C. 18:7-13.8.

N.J.A.C. 18:7-13.8 states that generally the four-year statute of limitations for filing a CBT refund claim begins to run on the later of the date of payment or the filing of the CBT return. However, where filing and payment are made before the due date (the original due date of the return and not an extended due date), the return's due date is deemed to be the payment date and the statute of limitations runs from the date of payment. Applying that language to the instant case, the Court held that plaintiff's 1993 refund claim was untimely because it was filed (July 13, 1998) four years and 13 days after the 1993 CBT payment (June 30, 1994).

The Court dismissed plaintiff's argument that the CBT refund statute of limitations should be governed by N.J.S.A. 54:2-39 because that section applies to property taxes. Likewise, the Court also found that N.J.S.A. 54:49-6(b) was inapplicable because it applies to situations where a deficiency assessment is protested. Moreover,

the Court reasoned that the Legislature could have adopted the language of N.J.S.A. 54:49-6(b) for governing the statute of limitations on CBT refund claims but that it did not.

**Gross Income Tax
Calculation of Resident Tax
Credit – *Mark and Donna Regante v. Director, Division of Taxation*, decided January 24, 2001; Appellate Division No. A-2105-99T5.**

On appeal from the Tax Court's holding in favor of the Division was the issue regarding whether the methodology for determining income in the numerator of the resident tax credit should exclude deductions not recognized by New Jersey even though the deductions are permitted in a foreign jurisdiction.

Affirming the Tax Court, the Appellate Division held that income not subject to tax in a foreign jurisdiction is excluded from the numerator in the calculation of the resident tax credit. The Court noted that the reasoning behind the legislation enacting the resident credit is to at least minimize, if not eliminate, double taxation. The Court also upheld the Tax Court's holding that there was no equal protection violation even though two New Jersey residents earning the same income in two different states may pay different income taxes to New Jersey. The Court reasoned, as did the Tax Court, that both residents are treated identically in terms of calculating the income subject to taxation in the foreign jurisdiction.

**Time Period to File Complaint
After Untimely Protest – *Lunin v.***

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Director, Division of Taxation, decided February 8, 2001; Tax Court No. 004219-2000.

On April 13, 2000, the Division sent a notice of deficiency to plaintiff concerning gross income tax (GIT). Plaintiff sent a July 12, 2000, written protest to the Division via mail that was postmarked July 24, 2000. By letter dated August 8, 2000, the Division denied plaintiff's protest because it was filed after 90 days of the issuance of the notice of deficiency. On October 7 or 8, 2000, plaintiff mailed a complaint to the Tax Court that was received on October 12, 2000. The issue is whether the complaint was timely filed with the Tax Court.

N.J.S.A. 54A:9-2(b) provides that a GIT deficiency becomes an assessment after 90 days of the mailing of a notice of deficiency where taxpayer did not protest the deficiency pursuant to N.J.S.A. 54A:9-9. According to N.J.S.A. 54A:9-10(a), an appeal to the Tax Court must be filed within 90 days after the GIT assessment. Furthermore, N.J.S.A. 54:49-18(a) provides that the time to appeal to the Tax Court begins from the date of the Director's final determination.

The Court ruled that R. 1:3-3, which adds three days to the 90-day filing period in Tax Court, was not applicable to the statutes concerning the sending of a notice of deficiency, the filing of a protest, and transformation of the deficiency into an assessment by operation of law because these statutes are not proceedings in the Tax Court governed by N.J.S.A. 54:51A-18.

The Court found that the April 13, 2000, notice of deficiency became an assessment by operation of law on July 12, 2000, (equivalent to the date of the Director's final determination) because a protest was not timely filed with the Division; therefore, the date to file a timely complaint with the Tax Court expired 90 days thereafter on October 10, 2000. As filing with the Tax Court occurs upon receipt of the complaint, the October 12, 2000, receipt was held to be untimely.

**Local Property Tax
Property Exempt Under Continued Character Exception** – *Job Haines Home for the Aged, Plaintiff, v. Bloomfield Twp., Defendant*, New Jersey Tax Court, decided February 16, 2001, Docket No. 001135-2000.

Plaintiff was an established prop-

erty tax-exempt Title 15A nonprofit corporation operating both a skilled nursing and a residential health care facility situated on five acres. Plaintiff appealed when it was partially assessed at \$1,250,000 for tax year 2000 for an under-construction (80% completed and unoccupied) assisted living facility. When complete, all three facilities were interconnected.

At issue before this Tax Court was whether as of the pretax year October 1, 1999, valuation date the partially-erected structure could be assessed for taxes if it was an addition to an existing tax-exempt structure. In order to obtain property tax exemption under N.J.S.A. 54:4-3.6, plaintiff had to show, in part, "actual use" for a specified exempt purpose. Intended or projected future use is not qualifying.

As concerns "actual use" prior courts had determined, "Even where the character of a building under construction and its adoption to exempt use are evident, a property tax exemption does not attach until actual use commences." See *Hillcrest Health Service System, Inc. v. Hackensack City*, 18 N.J. Tax 38 (1998), and *Holy Cross Precious Zion Glorious Church of God v. Trenton City*, 2

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Enforcement Summary Statistics

First Quarter 2001

Following is a summary of enforcement actions for the quarter ending March 31, 2001.

• Certificates of Debt:		• Jeopardy Seizures	1
Total Number	1,454	• Seizures	25
Total Amount	\$28,387,081	• Auctions	2
• Jeopardy Assessments	168	• Referrals to the Attorney General's Office	670

For more detailed enforcement information, see our Home Page at: <http://www.state.nj.us/treasury/taxation/>

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N.J. Tax 352 (1981). "The single thread that runs through the cases...is that there must be actual use made of the buildings in accordance with the exemption statute. Actual public use or being ready to provide such public use is the required quid pro quo." See *Grace & Peace Fellowship Church, Inc. v. Cranford Twp.*, 4 N.J. Tax 391 (1982).

However, this decision holds that Tax Court had previously carved out an exception to the "actual use" rule for property exhibiting a "continued exempt character." See *Paper Mill Playhouse v. Millburn Twp.*, 7 N.J. Tax 78 (1984). In *Paper Mill Playhouse*, exempt property which discontinued "actual use" for a two-year reconstruction period after it was destroyed by fire was allowed to retain exemption, reasoning that having been nontaxable it would not impact the municipal budget. The Court distinguished the *Paper Mill Playhouse* exception by explaining that it only applies where there is a preexisting exempt building, not on a vacant parcel.

Present plaintiff merely erected an addition to an already tax-exempt structure, was not an historic ratable, would not be an added assessment upon the construction's completion and exempt use, and was granted exemption under the "continued character exception."

Denial of Refund of Taxes Paid by Mistake – *J.C. Trapper, LLC, Plaintiff, v. City of Jersey City, Defendant*, decided February 22, 2001; Tax Court of New Jersey; Docket No. 001816-2000.

In this action, plaintiff, J.C. Trapper, LLC, sought to recover property

Summer 2001

taxes and interest paid to defendant Jersey City on property owned by the City. The subject two lots were vacated in 1976, in favor of adjacent landowner. In 1987, title to those lots reverted to Jersey City. However, plaintiff and its predecessor continued to pay property tax and interest totaling \$492,741.06 on those lots from 1988 through part of 1999. Plaintiff sought refund of the amount paid based on N.J.S.A. 54:4-54 referred to as the "Taxpayer Mistake Provisions" which provides for the refund of taxes "...Where one person has by mistake paid the tax on the property of another supposing it to be his own..."

The Court cited *McShain v. Evesham Twp.*, 163 N.J. Super. 522, and *Farmingdale Realty Co., v. Farmingdale*, 55 N.J. 103, which both dealt with the provisions of N.J.S.A. 54:4-54. In *McShain*, plaintiff paid taxes on lots which, without their knowledge, were assessed to them but owned by others. A refund was ordered. In *Farmingdale*, the subject property was assessed twice. Judge Kuskin concluded that, if the payments in question were made "by mistake," refund is mandatory, not discretionary even though the statute provides that "the governing body...may return the money paid in error...." While the phrase "may return" might invest the governing body with discretion when a taxpayer has mistakenly paid taxes on property owned by another, such discretion is not applicable where a taxpayer has mistakenly paid taxes on property owned by the taxing municipality. The Court made the point that, in the former situation, the municipality is entitled to collect the taxes, and the refund of a mistaken payment could have

been made discretionary in the event no procedure is available to the municipality to obtain payment of taxes from the correct taxpayer. In the latter, no taxes were due the municipality, and the municipality may not retain taxes mistakenly paid.

The Tax Court defines "mistake" as used in N.J.S.A. 54:4-54 as a mistake of fact not a mistake of law. A mistake of fact can be illustrated by a misunderstanding of ownership and might be refundable. Taxes paid under a statute later declared to be unconstitutional are paid under a mistake of law and are not subject to refund.

Relief is available under N.J.S.A. 54:4-54 only when taxes are paid by a taxpayer who, when making payment, believes they are due because: (1) the taxpayer is unaware that an assessment on another's property is included in the assessment on the taxpayer's property; or (2) the taxpayer doesn't know the facts to enable him to dispute ownership of the property. The mistake (as per N.J.S.A. 54:4-54) cannot be simply an incorrect interpretation of, or erroneous action taken on the basis of, facts known to the taxpayer which provided a sensible basis for disputing ownership. If taxpayer is unsure of the ownership of a property, then taxpayer should file an appeal or a declaratory judgment action. The taxpayer may not seek relief under statute after paying the taxes for years and seeking no resolution of the ownership issue.

Because the Taxpayer Mistake Provisions broaden taxpayers' remedies beyond the statutory right to appeal, such an expansion is to

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be construed narrowly, especially when the additional remedy has no limitations period.

Court held that none of the payments made by plaintiff and its predecessors were made “by mistake” under N.J.S.A. 54:4-54. Plaintiff and its predecessors had knowledge of the facts relating to ownership of the property. This knowledge provided a plausible basis for contesting the obligation to pay. Neither sought a judicial determination to clear this up until approximately 11 years later.

In settling appeals for 1988, 1989, 1990, and 1993, plaintiff’s predecessor not only failed to contest ownership, but also willingly accepted the property tax obligations on the subject property. As demonstrated by the settlement agreements and site plan application, predecessor did not pay taxes “by mistake.” As its predecessor’s assignee, plaintiff is chargeable with, and bound by, the significance of predecessor’s acceptance of the tax obligations of the subject property.

In 1961, the New Jersey Supreme Court, in *Rosa Systems v. Linden Dari-Delite, Inc.*, 35 N.J. 329, 334, held that when a payment is made voluntarily, it “cannot be recovered on the ground that there was no liability in the first instance.” A payment is not voluntary only if “induced by the wrongful pressure of the payee and the payor has no immediate and adequate remedy in the courts to resist (the payment).” Plaintiff and its predecessor had such an available remedy.

Although the assessor mistakenly assessed the subject property to plaintiff and its predecessor, plaintiff’s knowledge of the own-

ership issue was not diminished. The mistake to which the Taxpayer Mistake Provisions of N.J.S.A. 54:4-54 refer is the mistake of the taxpayer, not that of the tax assessor or municipality.

The Court, based on four analyses, concluded that defendant did not realize a windfall by retaining the taxes it collected from third parties on property it owned. (1) Predecessor made prior settlements by allocating settlement of lots under appeal and aggregating assessable value as single economic unit. (2) As per *Liva Group, LLC v. Paramus Borough*, 17 N.J. Tax 609, “Barring proof of fraud or other compelling circumstances a settlement will be enforced in accordance with its essential terms.” Predecessor agreed to the assessments. Predecessor and plaintiff (as successor-in-title and assignee) could not now attack the settlement. (3) Attempting to undo the settlement is a violation of the doctrine of judicial estoppel. “Judicial estoppel is an equitable doctrine precluding a party from asserting a position in a case that contradicts or is inconsistent with previous position or a related proceeding.” *Tamburelli Properties Ass’n. v. Cresskill Bor.*, 308 N.J. Super. 326. For purposes of judicial estoppel, this litigation and the earlier tax appeals are related legal proceedings and the plaintiff may not now contradict what was earlier agreed upon. (4) Denying plaintiff relief is consistent with decisions in other contexts which permit municipalities to retain taxes and other monies which should not have been collected, such as a taxpayer who fails to appeal overassessments.

Sales and Use Tax

Prototypes – *Urso & Brown, Inc. v. Director, Division of Taxation*, decided January 4, 2001; Tax Court No. 000051-99.

Plaintiff is in the business of designing and producing point-of-purchase displays for merchandise sold in retail stores. Initially, plaintiff completed a design sketch of a display for a customer. If the customer approved the sketch, plaintiff engaged a fabricator to prepare a prototype with materials selected by plaintiff. The fabricator prepared the prototype along with drawings or blueprints for the display. Plaintiff inspected, paid for, and presented the prototype to the customer for review but did not charge its customers for the creation of the prototypes at issue. If the customer decided to place an order, plaintiff commenced to manufacture the displays. The prototype generally has no further utility and was not alleged to be for resale. At issue is whether the prototypes are subject to sales and use tax and, if so, whether they qualify for either the production or research and development exemption.

In deciding which entity purchased the materials, the Court found that plaintiff provided the materials to make the prototypes to the fabricators. Therefore, the Court ruled that the prototype purchases constituted tangible personal property upon which fabrication services were performed and, therefore, subject to either sales tax under N.J.S.A. 54:32B-3(b)(1) or use tax via N.J.S.A. 54:32B-6(C). Furthermore, the Court ruled that the transactions between plaintiff and the fabricators did not qualify for a N.J.S.A. 54:32B-2(e)(4)(A) exclusion as professional or personal

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service transactions where the prototypes were an inconsequential element of the transaction because the real object of the transaction was to acquire the prototypes for use as a sales generating device. Finally, the Court noted that even if the fabricators had provided the materials to make the prototypes, the transaction would be a taxable sale of tangible personalty under N.J.S.A. 54:32B-3(a) or B-6(A).

Turning to whether or not the prototypes qualified for exemption from the Sales and Use Tax Act, the Court ruled that the prototypes did not qualify for the N.J.S.A. 54:32B-8.13(a) production exemption because the prototypes were neither necessary for nor directly and primarily used in the manufacturing process. The Court also held that the transaction did not qualify for the N.J.S.A. 54:32B-8.14 research and development exemption because the prototypes were used as a sales generating device and were not used directly and exclusively in research or development. Furthermore, the Court found the prototypes were not purchased for or used in "research and development in the experimental or laboratory sense" because the use of the prototypes to satisfy specific customer requirements is not in the "nature of a study which seeks new

knowledge in, or a new understanding of, a scientific or technical field or subject." □

In Our Legislature

Gross Income Tax

Exclusion of U. S. Military Pension and Survivor's Benefit Payments Expanded — P.L. 2001, c.84 (signed into law on May 7, 2001) amends the Gross Income Tax Act to allow all taxpayers, regardless of age, to exclude their U.S. military pension or military survivor's benefit payments from gross income taxation. This act took effect immediately and applies retroactively to taxable years beginning on or after January 1, 2001.

Local Property Tax

Religious or Charitable Organizations May Lease Property to Other Exempt Entities Without Losing Property Tax Exemption — P.L. 2001, c.18 (signed into law on January 29, 2001) amends R.S.54:4-3.6 to permit a religious or charitable organization to lease property to another exempt entity for a different exempt use without the loss of its property tax exemption. The bill took effect immediately and is retroactive to September 30, 1999.

Exemption of Property of Fire-

in our courts - from page 13

fighters' Organizations — P.L. 2001, c.85 (signed into law on May 8, 2001) amends R.S.54:4-3.10 to permit exempt firefighter's associations, firefighter's relief associations, and volunteer fire companies to conduct certain income-producing activities and retain their tax exemption. The income-producing activity that is not the organization's primary purpose must not exceed 120 days annually, and all net proceeds from that activity must be utilized in furtherance of the primary purpose of the organization or for other charitable purposes. The act took effect immediately and is retroactive to January 1, 1998.

NJ SAVER Rebate — P.L. 2001, c.106 (signed into law on June 18, 2001) amends P.L. 1999, c. 63, to accelerate the phase-in period of the NJ SAVER Rebate Program from five years to four years. The legislation increases the amount to be paid in 2001 from 60% (an average of \$360) to 83⅓% of the full amount (an average of \$500). Under this legislation, NJ SAVER Rebates will reach the full benefit amount (an average of \$600) in 2002, one year ahead of schedule.

Sales and Use Tax

Sales and Repairs of Limousines Exempt — P.L. 2001, c.90 (signed into law on May 10, 2001) exempts sales of motor vehicles registered as limousines to limousine operators licensed in New Jersey. The legislation also provides an exemption for repairs of limousines, including replacement parts (but not the cost of labor), regardless of where the limousine service operator is licensed. The act took effect on July 1, 2001. □

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tax calendar

july

	SUN.	MON.	TUE.	WED.	THU.	FRI.	SAT.
2	1	2	3	4	5	6	7
0	8	9	10	11	12	13	14
0	15	16	17	18	19	20	21
1	22	23	24	25	26	27	28
	29	30	31				

July 2

GCC-1 **Motor Fuels Tax**—Carrier's monthly report

July 10

CWIP-1,2 **Cigarette Tax**—Wholesaler's informational report

CDIS-1,2 **Cigarette Tax**—Distributor's informational and sales report

CR-1 & CNR-1 **Cigarette Tax**—Wholesaler's monthly report of non-New Jersey stamped cigarettes

July 16

CBT-100 **Corporation Business Tax**—Annual return for accounting period ending March 31

continued

July 16 - continued

CBT-150 **Corporation Business Tax**—Installment payment of estimated tax for 4th, 6th, 9th or 12th month of current tax year

July 20

CR-1 & CNR-1 **Cigarette Tax**—Monthly report of cigarettes sold or used by distributors and manufacturers

MSS-1 **Cigarette Tax**—Monthly report by manufacturers of special shipments of taxable cigarettes into New Jersey

GA-1D **Motor Fuels Tax**—Distributor's monthly report of gallons of fuel sold or used

GA-1J **Motor Fuels Tax**—Jobber's monthly report of gallons of fuel sold or used

GA-1X **Motor Fuels Tax**—Importer's monthly report of gallons of fuel imported

MFT-10 **Motor Fuels Tax**—Monthly report by seller-user of special fuels for sales and/or use

MFT-14 **Motor Fuels Tax**—Monthly export report

MFT-60 **Motor Fuels Tax**—Monthly storage facility operator report

SCC-5 **Spill Compensation and Control Tax**—Monthly return

continued

July 20 - continued

SCC-6 **Spill Compensation and Control Tax**—Public storage facility operator return

ST-20 **New Jersey/New York Combined State Sales and Use Tax**—Quarterly return

ST-50 **Sales and Use Tax**—Quarterly return

ST-250 **Combined Atlantic City Luxury Tax/State Sales Tax**—Monthly return

ST-350 **Cape May County Tourism Sales Tax**—Monthly return

ST-450 **Sales and Use Tax—Salem County**—Quarterly return

TP-20 **Tobacco Products Wholesale Sales and Use Tax**—Monthly return

UZ-50 **Combined State Sales Tax/Urban Enterprise Zone Sales Tax**—Monthly return

July 25

PPT-40 **Petroleum Products Gross Receipts Tax**—Quarterly return

July 30

NJ-927 & NJ-927-W **Gross Income Tax**—Employer's quarterly report

GCC-1 **Motor Fuels Tax**—Carrier's monthly report

august

	SUN.	MON.	TUE.	WED.	THU.	FRI.	SAT.
2				1	2	3	4
0	5	6	7	8	9	10	11
0	12	13	14	15	16	17	18
1	19	20	21	22	23	24	25
	26	27	28	29	30	31	

August 10

CWIP-1,2 **Cigarette Tax**—Wholesaler's informational report

CDIS-1,2 **Cigarette Tax**—Distributor's informational and sales report

CR-1 & CNR-1 **Cigarette Tax**—Wholesaler's monthly report of non-New Jersey stamped cigarettes

August 15

CBT-100 **Corporation Business Tax**—Annual return for accounting period ending April 30

continued

August 15 - continued

CBT-150 **Corporation Business Tax**—Installment payment of estimated tax for 4th, 6th, 9th or 12th month of current tax year

NJ-500 **Gross Income Tax**—Employer's monthly remittance

August 20

CR-1 & CNR-1 **Cigarette Tax**—Monthly report of cigarettes sold or used by distributors and manufacturers

MSS-1 **Cigarette Tax**—Monthly report by manufacturers of special shipments of taxable cigarettes into New Jersey

GA-1D **Motor Fuels Tax**—Distributor's monthly report of gallons of fuel sold or used

GA-1J **Motor Fuels Tax**—Jobber's monthly report of gallons of fuel sold or used

GA-1X **Motor Fuels Tax**—Importer's monthly report of gallons of fuel imported

MFT-10 **Motor Fuels Tax**—Monthly report by seller-user of special fuels for sales and/or use

MFT-14 **Motor Fuels Tax**—Monthly export report

MFT-60 **Motor Fuels Tax**—Monthly storage facility operator report

continued

August 20 - continued

SCC-5 **Spill Compensation and Control Tax**—Monthly return

SCC-6 **Spill Compensation and Control Tax**—Public storage facility operator return

ST-21 **New Jersey/New York Combined State Sales and Use Tax**—Monthly return

ST-51 **Sales and Use Tax**—Monthly remittance

ST-250 **Combined Atlantic City Luxury Tax/State Sales Tax**—Monthly return

ST-350 **Cape May County Tourism Sales Tax**—Monthly return

ST-451 **Sales and Use Tax—Salem County**—Monthly return

TP-20 **Tobacco Products Whole-sale Sales and Use Tax**—Monthly return

UZ-50 **Combined State Sales Tax/Urban Enterprise Zone Sales Tax**—Monthly return

August 27

PPT-41 **Petroleum Products Gross Receipts Tax**—Monthly return

August 30

GCC-1 **Motor Fuels Tax**—Carrier's monthly report

september

	SUN.	MON.	TUE.	WED.	THU.	FRI.	SAT.
2							1
0	2	3	4	5	6	7	8
0	9	10	11	12	13	14	15
1	16	17	18	19	20	21	22
	23	24	25	26	27	28	29
	30						

September 10

CWIP-1,2 **Cigarette Tax**—Wholesaler's informational report

CDIS-1,2 **Cigarette Tax**—Distributor's informational and sales report

CR-1 & CNR-1 **Cigarette Tax**—Wholesaler's monthly report of non-New Jersey stamped cigarettes

September 17

CBT-100 **Corporation Business Tax**—Annual return for accounting period ending May 31

continued

September 17 - continued

CBT-150 **Corporation Business Tax**—Installment payment of estimated tax for 4th, 6th, 9th or 12th month of current tax year

NJ-500 **Gross Income Tax**—Employer's monthly remittance

September 20

CR-1 & CNR-1 **Cigarette Tax**—Monthly report of cigarettes sold or used by distributors and manufacturers

MSS-1 **Cigarette Tax**—Monthly report by manufacturers of special shipments of taxable cigarettes into New Jersey

GA-1D **Motor Fuels Tax**—Distributor's monthly report of gallons of fuel sold or used

GA-1J **Motor Fuels Tax**—Jobber's monthly report of gallons of fuel sold or used

GA-1X **Motor Fuels Tax**—Importer's monthly report of gallons of fuel imported

MFT-10 **Motor Fuels Tax**—Monthly report by seller-user of special fuels for sales and/or use

MFT-14 **Motor Fuels Tax**—Monthly export report

continued

September 20 - continued

MFT-60 **Motor Fuels Tax**—Monthly storage facility operator report

SCC-5 **Spill Compensation and Control Tax**—Monthly return

SCC-6 **Spill Compensation and Control Tax**—Public storage facility operator return

ST-21 **New Jersey/New York Combined State Sales and Use Tax**—Monthly return

ST-51 **Sales and Use Tax**—Monthly remittance

ST-250 **Combined Atlantic City Luxury Tax/State Sales Tax**—Monthly return

ST-350 **Cape May County Tourism Sales Tax**—Monthly return

ST-451 **Sales and Use Tax—Salem County**—Monthly return

TP-20 **Tobacco Products Whole-sale Sales and Use Tax**—Monthly return

UZ-50 **Combined State Sales Tax/Urban Enterprise Zone Sales Tax**—Monthly return

September 25

PPT-41 **Petroleum Products Gross Receipts Tax**—Monthly return

from the director's desk

Division Congratulates Special Olympic Medalists



Barbara McGill and Mary Rohman have been good friends and constant companions since they met at St. Elizabeth's Home more than 45 years ago. Both have been Division employees since 1979.

The Special Olympics oath is: "Let me win. But if I cannot win, let me be brave in the attempt." Mary and Barbara proved this statement true on March 17, 2001, when they participated in the Special Olympics bowling competition at the Colonial Lanes in Lawrenceville. They both received medals: Barbara a gold, and Mary a bronze. This is not the first time they have received medals. They have both participated in the Special Olympics for many years and have won numerous medals.

It was not always easy for Barbara and Mary to participate in these games. Originally they were told they would never be able to bowl because of their handicaps. But with the help of Michael Goshorn, the Director of St. Elizabeth's Home, who built them a ramp on which to place their bowling balls, they beat the odds. The ramp allowed them to build the momentum required to knock over the pins. This opened doors not only for Mary and Barbara but for wheelchair-bound participants as well. Mary and Barbara are very proud to know that they helped set the trend for other Special Olympic athletes in wheelchairs.

They practice every Saturday at Colonial Lanes and you can see by the look on their faces that the ability to participate in sports has done something wonderful for them. With proud smiles they tell of both the "strikes" and "gutter balls" that they have made in their bowling careers. On March 31, 2001, Mary and Barbara advanced to the State Finals. Barbara took home another gold medal and Mary received a ribbon for fourth place.

Mary and Barbara have triumphed in so many areas in their lives. The Division of Taxation is fortunate to have two such overachievers within its ranks and extends congratulations and support to both of these admirable women.

Robert K. Thompson